

**WORKFORCE SAFETY & INSURANCE**  
**INVESTMENT PERFORMANCE REPORT AS OF SEPTEMBER 30, 2004**

	September-04					August-04				July-04				Current FYTD	Prior Year FY04	3 Years Ended 6/30/2004	5 Years Ended 6/30/2004
	Allocation		Quarter	Month		Allocation		Month		Allocation		Month					
	Market Value	Actual	Policy	Net ROR	Net ROR	Market Value	Actual	Policy	Net ROR	Market Value	Actual	Policy	Net ROR				
LARGE CAP DOMESTIC EQUITY																	
Structured Growth																	
Los Angeles Capital	16,913,809	1.5%	1.6%	-4.14%	1.34%	16,658,216	1.5%	1.6%	-0.39%	16,731,179	1.6%	1.6%	-5.03%	-4.14%	N/A	N/A	N/A
Total Structured Growth	16,913,809	1.5%	1.6%	-4.14%	1.34%	16,658,216	1.5%	1.6%	-0.39%	16,731,179	1.6%	1.6%	-5.03%	-4.14%	17.58%	-6.28%	-7.85%
Russell 1000 Growth				-5.23%	0.95%				-0.49%				-5.65%	-5.23%	17.88%	-3.74%	-6.48%
Structured Value																	
LSV	18,444,895	1.7%	1.6%	3.21%	3.01%	17,868,633	1.6%	1.6%	1.42%	17,613,962	1.6%	1.6%	-1.21%	3.21%	30.56%	9.33%	8.36%
Russell 1000 Value				1.54%	1.55%				1.42%				-1.41%	1.54%	21.13%	2.96%	1.87%
Russell 1000 Enhanced Index																	
LA Capital	36,031,485	3.3%	3.2%	-1.68%	1.72%	35,352,818	3.2%	3.2%	0.22%	35,292,018	3.3%	3.2%	-3.56%	-1.68%	N/A	N/A	N/A
Russell 1000				-1.81%	1.26%				0.49%				-3.51%	-1.81%	N/A	N/A	N/A
S&P 500 Enhanced Index																	
Westridge	35,011,117	3.2%	3.2%	-1.99%	0.93%	34,562,047	3.2%	3.2%	0.43%	34,431,545	3.2%	3.2%	-3.30%	-1.99%	N/A	N/A	N/A
S&P 500				-1.87%	1.08%				0.40%				-3.31%	-1.87%	N/A	N/A	N/A
Index																	
State Street	10,538,231			-1.88%	1.08%	10,407,181			0.41%	10,366,874			-3.32%	-1.88%	19.01%	-0.75%	-2.28%
Total Index	10,538,231	1.0%	1.1%	-1.88%	1.08%	10,407,181	1.0%	1.1%	0.41%	10,366,874	1.0%	1.1%	-3.32%	-1.88%	19.01%	-0.75%	-2.28%
S&P 500				-1.87%	1.08%				0.40%				-3.31%	-1.87%	19.11%	-0.70%	-2.21%
TOTAL LARGE CAP DOMESTIC EQUITY	116,939,537	10.7%	10.7%	-1.42%	1.57%	114,848,895	10.5%	10.7%	0.39%	114,435,577	10.7%	10.7%	-3.33%	-1.42%	21.46%	0.15%	-1.39%
S&P 500				-1.87%	1.08%				0.40%				-3.31%	-1.87%	19.11%	-0.70%	-2.21%
SMALL CAP DOMESTIC EQUITY																	
Manager-of-Managers																	
SEI	60,599,706	5.5%	5.3%	-3.60%	5.35%	53,327,541	4.9%	5.3%	-1.26%	54,026,190	5.0%	5.3%	-7.32%	-3.60%	32.99%	5.51%	N/A
Russell 2000 + 200bp				-2.36%	4.86%				-0.35%				-6.57%	-2.36%	35.99%	7.90%	N/A
TOTAL SMALL CAP DOMESTIC EQUITY	60,599,706	5.5%	5.3%	-3.60%	5.35%	53,327,541	4.9%	5.3%	-1.26%	54,026,190	5.0%	5.3%	-7.32%	-3.60%	32.99%	5.54%	7.29%
Russell 2000				-2.86%	4.69%				-0.51%				-6.73%	-2.86%	33.36%	6.24%	6.63%
CONVERTIBLES																	
TCW	62,489,360	5.7%	6.0%	-4.35%	1.31%	61,600,131	5.7%	6.0%	-0.54%	61,997,885	5.8%	6.0%	-5.08%	-4.35%	17.50%	1.03%	3.90%
First Boston Convertible Index				-1.05%	1.78%				-0.30%				-2.49%	-1.05%	14.16%	4.89%	5.75%
INTERNATIONAL EQUITY																	
Large Cap - Active																	
Capital Guardian	44,149,852	4.0%	4.0%	-1.77%	1.41%	41,259,682	3.8%	4.0%	0.34%	41,174,981	3.8%	4.0%	-3.47%	-1.77%	25.36%	-0.39%	0.54%
MSCI EAFE - 50% Hedged				-0.72%	2.02%				0.12%				-2.80%	-0.72%	26.98%	-1.27%	-2.14%
Small Cap - Value																	
Lazard	5,931,473	0.5%	0.5%	0.29%	2.98%	5,750,374	0.5%	0.5%	0.47%	5,733,570	0.5%	0.5%	-3.07%	0.29%	43.30%	N/A	N/A
Citigroup Broad Market Index < \$2BN				-0.82%	2.50%				1.00%				-4.20%	-0.82%	47.95%	N/A	N/A
Small Cap - Growth																	
Vanguard	5,635,197	0.5%	0.5%	0.49%	2.58%	5,498,451	0.5%	0.5%	0.81%	5,450,914	0.5%	0.5%	-2.82%	0.49%	44.68%	N/A	N/A
SSB BROAD MARKET INDEX < \$2BN				-0.82%	2.50%				1.00%				-4.20%	-0.82%	47.95%	N/A	N/A
TOTAL INTERNATIONAL EQUITY	55,716,522	5.1%	5.0%	-1.31%	1.69%	52,508,507	4.8%	5.0%	0.41%	52,359,464	4.9%	5.0%	-3.35%	-1.31%	29.16%	1.02%	1.39%
MSCI EAFE - 50% Hedged				-0.72%	2.02%				0.12%				-2.80%	-0.72%	26.98%	-1.27%	-2.14%
DOMESTIC FIXED INCOME																	
Core Bond																	
Western Asset	180,792,313	16.5%	14.7%	3.52%	0.25%	180,080,597	16.5%	14.7%	2.03%	176,359,537	16.5%	14.7%	1.20%	3.52%	2.42%	7.77%	8.10%
Lehman Aggregate				3.20%	0.27%				1.91%				0.99%	3.20%	0.32%	6.35%	6.95%
Index																	
Bank of ND	227,516,339	20.7%	20.5%	2.54%	0.16%	231,601,579	21.3%	21.0%	1.61%	227,651,783	21.2%	20.9%	0.77%	2.54%	0.07%	7.10%	7.25%
Bank of ND CD'S	16,414,462	1.5%	1.5%	0.88%	0.29%	11,376,023	1.0%	1.0%	0.30%	11,342,866	1.1%	1.1%	0.30%	0.88%	3.53%	4.06%	4.76%
Total Index	243,930,801	22.2%	22.0%	2.47%	0.16%	242,977,602	22.3%	22.0%	1.54%	238,994,649	22.3%	22.0%	0.74%	2.47%	0.28%	6.76%	7.03%
Lehman Intermediate Gov/Credit (1)				2.71%	0.17%				1.54%				0.84%	2.71%	-0.05%	6.97%	7.25%
BBB Average Quality																	
Strong	101,360,140	9.2%	7.3%	4.51%	0.70%	100,497,515	9.2%	7.3%	2.40%	98,004,910	9.1%	7.3%	1.35%	4.51%	1.18%	N/A	N/A
Lehman US Credit BAA				4.76%	0.75%				2.55%				1.40%	4.76%	1.96%	N/A	N/A
TOTAL DOMESTIC FIXED INCOME	526,083,253	48.0%	44.0%	3.34%	0.30%	523,555,715	48.1%	44.0%	1.88%	513,359,096	47.9%	44.0%	1.02%	3.34%	1.77%	7.58%	7.77%
Lehman Gov/Credit				3.56%	0.35%				2.12%				1.06%	3.56%	-0.72%	6.73%	7.10%
TREASURY INFLATION PROTECTED SECURITIES (TIPS)																	
Northern Trust Global Investments	120,197,585	11.0%	11.0%	3.71%	0.22%	124,014,083	11.4%	11.0%	2.70%	120,757,309	11.3%	11.0%	0.77%	3.71%	N/A	N/A	N/A
Western	125,054,493	11.4%	11.0%	3.55%	0.05%	124,988,510	11.5%	11.0%	2.72%	121,678,579	11.4%	11.0%	0.77%	3.55%	N/A	N/A	N/A
TOTAL TIPS	245,252,078	22.4%	22.0%	3.63%	0.13%	249,002,593	22.9%	22.0%	2.71%	242,435,888	22.6%	22.0%	0.77%	3.63%	N/A	N/A	N/A
LB US TIPS Index				4.25%	0.20%				2.68%				1.33%	4.25%	N/A	N/A	N/A
REAL ESTATE																	
Manager To Be Determined																	
NCREIF Total Index	-	0.0%	6.0%	N/A	N/A	-	0.0%	6.0%	N/A	-	0.0%	6.0%	N/A	N/A	N/A	N/A	N/A
CASH EQUIVALENTS																	
Bank of ND	29,890,124	2.7%	1.0%	0.44%	0.15%	33,996,430	3.1%	1.0%	0.15%	33,128,333	3.1%	1.0%	0.14%	0.44%	1.20%	1.72%	3.39%
90 Day T-Bill				0.37%	0.13%				0.12%				0.12%	0.37%	0.98%	1.71%	3.30%
TOTAL WSI	1,096,970,581	100.0%	100.0%	1.60%	0.80%	1,088,839,812	100.0%	100.0%	1.35%	1,071,742,435	100.0%	100.0%	-0.54%	1.60%	9.62%	5.50%	5.97%
POLICY TARGET BENCHMARK				2.25%	0.83%				1.59%				-0.18%	2.25%	7.25%	5.18%	5.41%

**NOTE: Monthly returns and market values are preliminary and subject to change.**

(1) Prior to April 1, 2004, the benchmark was the LB Govt/Credit index.